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ABSTRACT

While assuming the uniqueness of the educational organization, educational administrators can nevertheless learn five important principles from business management. The five principles are: (1) defining organizational goals; (2) implementation of goals on a cost-effective basis; (3) monitoring and assessmentof staff performance; (4) a formal procedure for exploration of new techniques and purposes; and (5) long-range economic and academic planning. From politics educational administrators can learn one more principle--development of a political systems' perspective in order to implement successfully management decisions. (Author/KE)

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# APPROACHING ACADEMIC EFFICIENCY

## Lessons for Educators from Businessmen and Politicians

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# APPROACHING ACADEMIC EFFICIENCY

## Lessons for Educators from Businessmen and Politicians

Few would say that the educational enterprise bears a close resemblance to the operation of a business and the activities of a political body. Unlike the business organization, a school is not a profit-maximizing institution. It deals with intangible outputs which are not susceptible to easy quantification. Economic efficiency and academic efficiency are not necessarily synonomous. Likewise, few observors would equate the operation of a school with the goals and procedures of a political body.

We should realize, however, in highlighting differences that we may blind ourselves to those features of these institutions that can successfully be adopted by schools to improve their functioning.

While assuming the uniqueness of the educational organization, this author seeks to point out that educational administrators can nevertheless learn five important principles from business management. From the political arena, comes a sixth principle enabling them to "get it all together."

From Business:

1. Defining organizational goals in specific terms so that outcomes of the educational process can be assessed and compared with goals.

2. Selection of activities to implement goals on a cost-effective basis. Activities found ineffective or unduely expensive can be weeded out.

3. Monitoring and continuous assessment of staff performance so that the most efficient and effective utilization of staff can occur.

4. Establishing a formal procedure for exploration of new techniques and purposes.

5. Practicing long range economic and academic planning.

From Politics:

6. Development of a political systems perspective in order to implement successfully management decisions.

BUSINESS PRINCIPLES AS APPLIED TO EDUCATION

Defining Goals

Defining organizational goals with enough specificity so that outcomes of the educational process can be directly measured against them is no easy task. But as businessmen have long known, the clamour to be accountable for dollars spent makes "product evaluation" a necessity.

Some institutions set goals which are virtually incapable of measurement. The following goals excerpted from a school catelogue are illustrative of this practice.

> To give the students the soundest and finest education for their age level so that they may leave school with minds trained to continue thinking and learning, prepared to take a useful and courageous part in their world.
>
> To instill spiritual and ethical standards which will give them secure and happy lives and enable them to make careful judgments in crisis which may confront them.

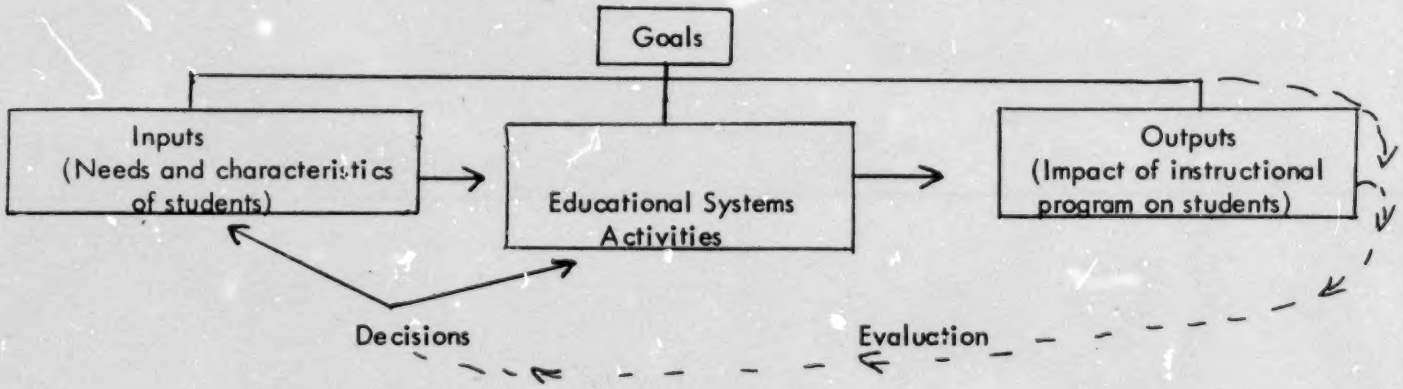
Often schools claim that goals are reached when the student graduates. But simply to say that a student "warms a seat" in class for a specified period and thereby achieves the institutional goal is to say very little. What is needed is first translating the goal into operational terms and then assessing the students' performance accordingly. Thus, the goal "to communicate effectively" translates "to be able to write a research paper complete with footnotes and bibliography, to organize and present from notes an oral report before a group, to demonstrate a grasp of fundamentals of grammar and spelling, and so on." When a student is able to write such a paper, present such a talk, and demonstrate through testing that he has mastered fundamentals of English grammar, or whatever, he will have achieved the institutional goal. It is immaterial whether the assessment occurs in a step-by-step approach through the curriculum or occurs at the end of the process through comprehensive testing. (Perhaps the former is to be preferred because it enables student to profit from their mistakes.) But in any case, what <u>is</u> important is <u>that assessment occurs</u>!

What about areas of the curriculum where this kind of objective measurement

is not adviseable or is impossible? Psychologists have found that responses from simply asking clients are often as reliable as test results. The Committee for Economic Development has recently concluded with regard to assessing institutional quality, "It may be that direct inquiry, in which students are simply asked what they think of their (school) experience, or of a particular instructor or course, is the most practical and reliable means for assessing institutional quality."[1] The same reasoning can be applied to assessing the impact of educational programs on students where objective testing is not feasible.

Product evaluation, as indicated in Figure 1 below, can help us ascertain what impact our educational process is having, and where the strengths and weaknesses lie. Activities found expensive and ineffective can either be upgraded or terminated.

Figure 1: Product Evaluation




[1] "The Management and Financing of Colleges," Statement on National Policy prepared for consideration by the Committee for Economic Development, January, 1973.

It is entirely likely that many schools may find themselves, after a product evaluation period, echoing the words of the president of one of America's largest corporations:

> We've gone through two decades of growth in business primarily that we've started. I see more emphasis on quality (and) service. . . That's the direction we should be taking in the 70's; doing a little less, making more money (in the case of schools, saving a little money), making a better product.[2] (parenthesis added)

Cost Effective Decision-Making

Selection of cost effective activities to implement goals is a touchy subject among educators. Much of the anxiety and opposition, however, is misdirected; clearly few are opposed to cost effective decision-making where non-instructional activities are concerned. "Cost effective" can be translated to mean choosing those activities which can achieve stated goals more efficiently and at less cost than alternative methods. An example of a typical problem is deciding whether food preparation ought to be done by the school staff on the premises or through some outside catering service.

However, this kind of cost effective decision-making can easily overlap into the instructional area. For example, the decision whether or not to purchase a videotaping unit will undoubtedly be partially based on how much repetitive instruction can be eliminated, thus releasing teachers for duty elsewhere. "Getting more mileage out of the instructional staff" can be a very sensitive subject because it brings up academic "sacred cows" like

[2] Interview with Edgar Kaiser, President of Kaiser Industries, in the Wall Street Journal, March 21, 1973, p. 18.

student-teacher ratio, multiple class preparations, and the like. But as Frank Newman, author of the much acclaimed --- and criticized --- Newman Report on Higher Education asserts,

> We must guard against a widespread tendency to trivialize the problem of efficiency in. . . education. It is not only a financial problem but an intellectual one. Questions about efficiency lead to a host of questions about teaching and learning and to the ultimate question about the nature and purpose of . . . education. These are too important. . . and too intellectually challenging to be lightly dismissed as illegitimate.[3]

Whenever any kind of cost effective decision-making is done, a particular kind of information search is required. In business circles and in government, this has called for the establishment of a "management information system." MIS is essentially a formal or rational plan whereby administrators receive and transmit vital information. It is most effective when it matches the information needs of the decision-maker with the sources of information at the time the information is needed. Too often the phrase "management system" is confused with data processing by machine or computerization. Data processing is nonetheless an important facet of MIS, since it collects, processes, and presents information efficiently and effectively in standardized form to the decision-makers. Although few schools can afford such sophisticated collection and processing of data, school consortia and associations can be instrumental in providing computerized data processing services to individual schools.

Staff Assessment

A third principle involves the monitoring and continuous assessment of staff

[3] "Who's Afraid of Cost Efficiency?" College Management, June, 1971, p. 34.

performance. School decision-makers today find this task more palatable to faculty and staff as financially hard-pressed Boards demand the most efficient and effective utilization of personnel. Since the bulk of the budget goes to faculty and staff salaries and benefits, careful and shrewd allocation of personnel is perhaps the single most important demand made of school authorities. This is another area where economic efficiency overlaps into the sensitive issue of academic efficiency.

Since there is no one "best" way to evaluate staff performance, it is important that the faculty assist the administration in constructing a reasonably effective and acceptable evaluation system. For example, each department might construct its own evaluation scheme with the department chairman held responsible for the effectiveness of his personnel. The department chairmen, in turn, can be evaluated by the administration. Since evaluation is a two-way street, it is important that procedures be established for "top-down" assessment as well. Thus, the administration can be given meaningful insight into its effectiveness on a number of dimensions by department chairmen, and they, in turn, can be provided valuable feedback from their constituents.

If evaluation is to have any meaning at all, it must take place in an atmosphere of trust and acceptance. Allowing everyone to help construct a systematic procedure which will improve the overall effectiveness of the organization helps build such an environment.

Exploring New Techniques and Purposes

A fourth lesson from businessmen is the desireability of having a formal procedure for exploring new techniques and the reasoning behind them. Market research has become an important facet of business operation. Much time and energy is devoted to searching for new sources of raw materials, to considering new products and services, and to developing new production processes which will lower costs as well as increase quality. The importance of establishing such an "idea committee" in schools to perform similar functions cannot be over-emphasized. How many schools at this time routinely and systematically sample alumni in college and beyond to gather data on what was most effective in their schooling background, what was least effective, what change, from their vantage point, the school ought to induce? How many institutions calling themselves "community schools" ever conduct similar surveys of parent or community opinions? How many institutions methodically search for new services to perform?

Long Range Planning

One other key to success in the world of business and industry is long range economic planning. As applied to education, long range planning builds on a management information system. Through simulation and modeling, and use of the data base compiled in each functional area, it is possible for the administration to explore different ways of solving problems. The technique of simulation looks at the probable effects of various policies, such as an increase in tuition or enrollment, before a final decision is made to commit

resources to a new program or plan.

Long range economic and academic planning can provide answers to such questions as the optimum size at which the school can operate in future years, given the demographic features of the community, so as to maximize tuition revenues and minimize expenses. Without a "look down the road," no school administrator can, I believe, make wise decisions regarding the construction of new facilities or the hiring of new faculty.

## A POLITICAL PRINCIPLE AS APPLIED TO EDUCATION

So far, we have assumed that administrators operate as rational decision-makers. That is, as Alice Rivlin describes the process, decision-makers in formulating policy

> (1) Define the objective of the organization as clearly as possible; (2) find out what the money was being spent for and what was being accomplished; (3) define alternative policies for the future and collect as much data as possible about what each would cost and what it would do; (4) set up a systematic procedure for bringing the relevant information together at the time the decisions were to be made.[4]

Once decisions are made, so the theory goes, it is merely a matter of routine implementation and evaluation.

With the typical school in mind, we can diagram the process as indicated in Figure 2 below:

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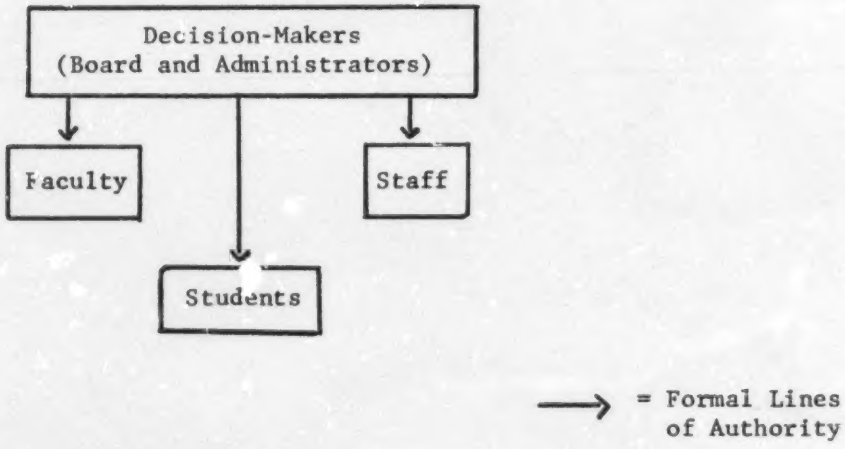
[4] Alice Rivlin, Systematic Thinking for Social Action, (The Brookings Institute, 1971), p. 3.

Figure 2: Rational Decision-Makers Operating in a Hierarchical Arrangement




To proceed under this assumption is to invite chaos and ultimate failure. There are limits to rationality in the organizational setting. What are these limits?

J. Victor Baldridge, Professor of Organizational Theory and Practice at Stanford University, postulates five assumptions about organizations which rationalists ignore or fail to see.

1. Conflict within organizations is natural.
2. Organizations are fragmented into power blocs and interest groups.
3. Small groups of political elites govern most of the major decisions --- decisions may be divided up with different elites controlling different decisions.
4. Formal authority is limited by political pressure and bargaining tactics of groups.
5. External interest groups have a great deal of influence over organizational policy formation.[5]

Because the modern school has many constituencies, decision-makers cannot

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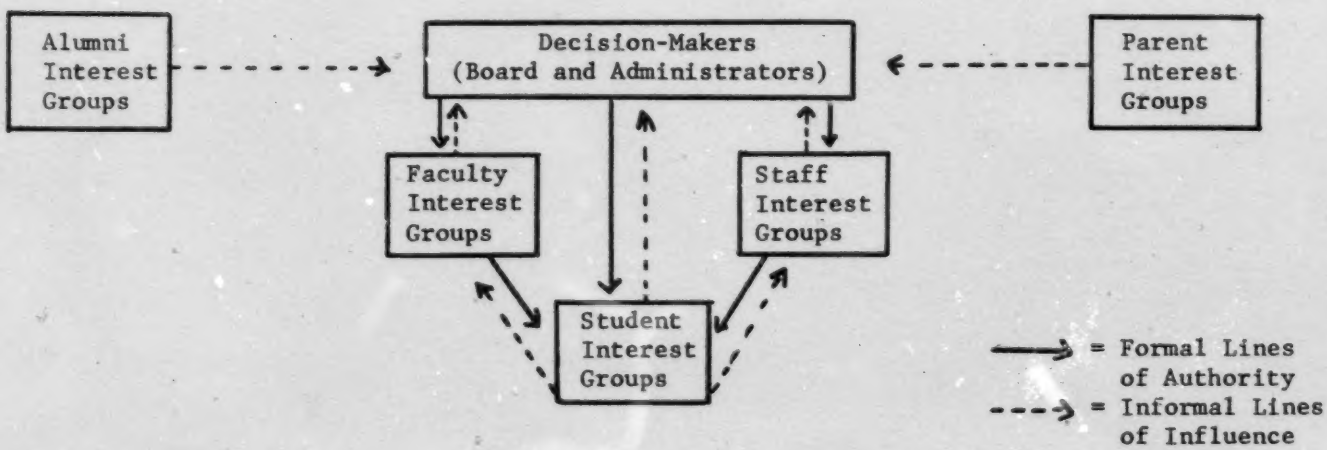
[5] J. Victor Baldridge, "Organizational Change: The Human Relations Perspective Versus The Political Systems Perspective", Educational Researcher, February 1972, p. 8.

always act unilaterally and expect that orders will be translated into effective action. Imagine what would happen to "academic efficiency" and school morale if a principal were to promulgate unilaterally a new policy on faculty productivity and evaluation. As Baldridge points out, "Decisions are not simply bureaucratic orders, but are instead negotiated compromises among competing groups."[6]

While this kind of political awareness is not required for all decision-making in the educational setting, the kinds of changes proposed in the first section of the paper are clearly not of the routine type. Without a political systems perspective, the educational administrator will have trouble successfully developing and implementing new policies which affect the organization so profoundly.

Through the perspective of the successful politician, the hierarchical arrangement noted in Figure 2 takes on new meaning as outline in Figure 3 below.

Figure 3: Adding a Political Systems Perspective






[6] Ibid., p. 10.

Effective policy implementation requires more than rational formation of policy; it requires the political sophistication necessary to develop workable policies which can be translated into effective action beneficial to the institution and to its constituencies.

The decision-makers must also master the techniques of negotiation and bargaining since "the development of political strategies and the generation of political coalitions for the support of organizational goals is a major part of a political systems approach."[7]

CONCLUSION

This author has sought to outline important lessons for educational administrators from the worlds of business and politics. It is entirely possible that to acquire the skills noted above, a school administration may have to add trained personnel, a recommendation which appears anomalous considering the thrust of the paper. However, when one contemplates the increased need for responsible decision-making by central authorities in this time of economic crisis, there emerges a rationale for improving the skills of the organizational decision-makers.

Because of the importance of a management systems perspective and a political systems perspective to successful school administration, it is imperative that regional and national school and college associations sponsor seminars and conferences, as well as develop materials, to enable administrators to learn how to function effectively in these areas. These larger associations can also render a valuable service to member schools by developing common procedures and data collection systems.



[7] Ibid, p. 10